

### Fiscal Estimate - 2003 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>03-2068/2</b>	<b>Introduction Number</b> <b>AB-313</b>
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**Subject**

Allowing farm families to receive health care coverage under state employee plan offered by Group Insurance Board

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		

**Local:**

<input type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
		<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
ETF/ Vicki Poole (608) 261-7940	Pam Henning (608) 267-2929	3/24/2003

## Fiscal Estimate Narratives

ETF 5/8/2003

LRB Number	<b>03-2068/2</b>	Introduction Number	<b>AB-313</b>	Estimate Type	<b>Original</b>
<b>Subject</b>					
Allowing farm families to receive health care coverage under state employee plan offered by Group Insurance Board					

### Assumptions Used in Arriving at Fiscal Estimate

There are 35,000 uninsured farmers in Wisconsin. If 10,000 of them opted to join the state employee health plan, Employee Trust Fund (ETF) actuaries estimate it would cost approximately \$23.5 million per year more in additional state costs for premiums. If 20,000 farmers joined the program, it would double the cost (\$47 million). The added costs are related to the risk factors involved in insuring the farmers, which would ultimately result in more benefits being paid, and consequently, premium costs for all people covered under the plan would rise. Based on the assumed health status of this particular group (farmers), the cost is estimated to be 155% of that of a normal member. These costs assume that the incoming members will pay the total current premium as their cost for the plan. State employers (agencies) pay 97% of premium costs and employees pay 3%.

In terms of fund sources affected, the type of fund source is directly related to the funding sources that different state agencies utilize.

### Long-Range Fiscal Implications

The assumptions described above are yearly and would be expected to continue indefinitely.